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Letter dated 4 November 2003 from the Chairman of the Security Council Committee established pursuant to resolution 751 (1992) concerning Somalia addressed to the President of the Security Council

On behalf of the Security Council Committee established pursuant to resolution 751 (1992) concerning Somalia, and in accordance with paragraph 7 of Security Council resolution 1474 (2003), I have the honour to transmit herewith the report of the Panel of Experts.

In this connection, the Committee would appreciate it if the present letter, together with its enclosure, were brought to the attention of the members of the Security Council and issued as a document of the Council.

(*Signed*) Stefan **Tafrov**
Chairman
Security Council Committee established pursuant to
resolution 751 (1992) concerning Somalia

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Enclosure

Letter dated 27 October 2003 from the Chairman of the Panel of Experts on Somalia addressed to the Chairman of the Security Council Committee established pursuant to resolution 751 (1992)

On behalf of the members of the Panel of Experts on Somalia, I have the honour to transmit herewith the report of the Panel, in accordance with paragraph 7 of Security Council resolution 1474 (2003).

(*Signed*) Johan **Peleman**
Chairman
Panel of Experts on Somalia

(*Signed*) Edward Howard **Johns**

(*Signed*) Pavanjeet Singh **Sandhu**

(*Signed*) John **Tambi**

Report of the Panel of Experts on Somalia pursuant to Security Council resolution 1474 (2003)

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Summary

1. Despite the declaration of a ceasefire in October 2002 and the continuing reconciliation process, Somalia is subject to ongoing violations of the arms embargo established by Security Council resolution 733 (1992). The present report, based on a thorough monitoring effort over the past six months, shows a disturbing picture of a continuous influx of small quantities of weapons and ammunition that feed the local open arms markets and faction leaders' warehouses in Somalia. Major violations of the Somalia arms embargo over the past six months using large vessels or heavy cargo aircraft show a reduction over previous years, but the constant micro-flow of weapons and ammunition represents hundreds of tons of arms in violation of the embargo over a six-month period.

2. The problem of the arms flows into and through Somalia is a problem with consequences for the security and stability of the wider region. The Panel has found evidence linking violations of the arms embargo with illicit arms flows to neighbouring countries, piracy in Somali and international waters, and the activities of armed groups and extremists beyond Somalia's borders.

3. Weapons shipments destined for Somalia tend to originate in or are routed through Djibouti, Eritrea, Ethiopia, the United Arab Emirates and Yemen. From these countries, transporting arms to Somalia is straightforward. The main entry points are the ports that serve Puntland (Boosaaso), Mogadishu (Marha and El Ma'an) and Kismaayo, together with the airstrips around Mogadishu. The preferred method of sanctions-busting is to transport weapons in a small fishing vessel or concealed in an aircraft's cargo hold. The merchandise is then redistributed throughout Somalia via a long chain of brokers.

4. Dhows sailing from Yemen to the north-east coast of Somalia carry much of the traffic. Most shipments go unnoticed and unreported, many to the main port of the region, Boosaaso. The bulk of the merchandise is destined for Mogadishu, the hub of the Somali arms trade. On average, dhows carrying arms and ammunition arrive in Somalia from Yemen 2 to 3 times a week.

5. About 1,250 flights arrive in Somalia each month, mainly from neighbouring countries and other States in the region. Their cargo is rarely subject to inspection. The regulation of air traffic in Somali airspace is very limited, and flight operations to and from Somalia can easily avoid detection when engaged in sanctions-busting. Likewise, the 1,600-km border between Somalia and Ethiopia is largely unmonitored, and traffic passes freely in both directions.

6. Somali faction leaders pay for their arms in a variety of ways; for example, with cash received from foreign sponsors; with the proceeds of taxes and charges levied at ports, airports and roadblocks; with khat; or with counterfeit Somali shillings printed abroad. The Panel has investigated several cases of recent attempts to print counterfeit currency worth billions of Somali shillings — equivalent to millions of United States dollars.

7. Owing to violations of the arms embargo, transnational terrorists have been able to obtain not only small arms but also man-portable air defence systems, light anti-tank weapons and explosives. The terrorists responsible for the bombing of the Paradise Hotel in 2002 in Mombasa, Kenya, and the attempted attack on flight 582 from Mombasa to Tel Aviv brought missiles from Yemen via Somalia to Kenya. The

Panel has determined that it remains relatively easy to obtain surface-to-air missiles and import them into Somalia.

8. Front-line States and regional actors are key external players in Somali affairs. Although they have shown greater respect for the arms embargo over the past six months than they have in previous years, many of them persist in violations and few of them have taken active measures to curb commercial arms transfers to Somalia. The Panel often found their support for its work lacking, but even where support was provided many of the States lacked the tools to sufficiently monitor exports and/or trans-shipments through their ports, airports, land border crossings, territorial waters and airspace.

9. Many observers attribute reduced arms flows in recent months to the active monitoring of violations of the arms embargo by the Security Council. As the Somali peace process enters a critical and difficult stage, enforcement of the embargo and robust monitoring can help to reinforce commitment to dialogue, reduce the scope for renewed armed conflict and mitigate its consequences if it happens.

I. Introduction

A. General

10. In pursuance of paragraphs 3 and 4 of Security Council resolution 1474 (2003) of 8 April 2003 concerning Somalia, the Secretary-General appointed a Panel of Experts for a six-month period, to gather independent information on violations of the arms embargo against Somalia and to provide recommendations on possible practical steps and measures for its implementation.

11. The Panel was based in Nairobi, travelled extensively throughout the region and visited a number of locations in Somalia. Owing to security restrictions, the Panel's ability to travel extensively throughout Somalia was subject to constraints.

12. In resolution 1474 (2003) the Security Council requested Somali and regional parties as well as government officials and other actors outside the region to cooperate fully with the Panel of Experts in the discharge of its mandate. The Panel finds however that a number of States have not lent their full cooperation to its investigation.

13. The Panel of Experts consisted of Johan Peleman (Belgium), Chairman of the Panel and arms expert; Edward Johns (United States of America), maritime expert; John Tambi (Sierra Leone), aviation expert; and Pavanjeet Sandhu (India), police investigator. Expertise was provided to the Panel in the areas of armaments and the financing and transportation thereof, as well as regional affairs.

14. The Panel received much-appreciated support from numerous Secretariat departments and United Nations agencies, both in New York and in the region.

B. Mandate

15. On 23 January 1992, the Security Council adopted resolution 733 (1992) imposing an arms embargo on Somalia. The obligation of Member States to implement the arms embargo was further clarified by the stipulations contained in paragraphs 1 and 2 of Council resolution 1425 (2002), which prohibited:

- The financing of all acquisitions and deliveries of weapons and military equipment;
- The direct or indirect supply to Somalia of technical advice, financial and other assistance, and training related to military activities.

16. In paragraph 3 of resolution 1474 (2003), the Security Council conferred on the Panel the following mandate:

(a) To investigate the violations of the arms embargo covering access to Somalia by land, air and sea, in particular by pursuing any sources that might reveal information related to violations;

(b) To detail information and make specific recommendations in relevant areas of expertise related to violations and measures to give effect to and strengthen the arms embargo in its various aspects;

(c) To carry out field-based research, where possible, in Somalia, States neighbouring Somalia and other States, as appropriate;

(d) To assess the capacity of States in the region to implement fully the arms embargo, including through a review of national customs and border control regimes;

(e) To focus on the ongoing arms embargo violations, including transfers of ammunition, single-use weapons, and small arms;

(f) To seek to identify those who continue to violate the arms embargo inside and outside Somalia, and their active supporters, and to provide the Committee with a draft list for possible future action;

(g) To explore the possibility of establishing a monitoring mechanism for the implementation of the arms embargo with partners inside and outside Somalia in close cooperation with regional and international organizations, including the African Union;

(h) To refine the recommendations provided in the report of the Panel of Experts (S/2003/223).

C. Methodology of the investigation

17. In accordance with its mandate the Panel focused on recent or ongoing violations of the arms embargo only. In some cases, however, the Panel had to revisit older issues in order to get a better understanding of the present situation or of the stakeholders and players involved.

18. **Questionnaires**. The Panel requested specific information from different Member States. Letters were sent through the missions in New York requesting information such as updated statistics on the movement of aircraft or ships to and from Somalia, or regarding the movement of certain individuals, company records, bank details or any other information that could either corroborate or invalidate information the Panel received.

19. Questionnaires were also sent to shipping and airline companies soliciting information pertinent to the work of the Panel, such as information regarding the ownership of aircraft and ships, the frequency of operations, the nature and type of operations, and landing and docking fees paid and to whom.

20. **Interviews**. In each country visited, the Panel interviewed government officials and, where relevant, the staff of diplomatic missions, key members of civil society organizations, aid agency officials, officials of private sector firms and businessmen and journalists. The Panel also contacted a number of key individuals whose names have been a subject of interest and controversy and tried to locate and identify Somalis who were alleged to be involved in violations of the embargo. Given the sensitive nature of the subjects investigated by the Panel it should be noted that many individuals spoke on condition of confidentiality. Numerous meetings have therefore not been listed. In all, the Panel conducted more than 1,000 interviews.

21. **Visits to countries**. The Panel was based in Nairobi and travelled to Bahrain, Belgium, Djibouti, Egypt, Eritrea, Ethiopia, France, Germany, India, Indonesia, Malaysia, Qatar, Slovakia, Somalia, the Sudan, Ukraine, the United Arab Emirates, the United Kingdom of Great Britain and Northern Ireland, the United States of America and Yemen. The Panel as a whole or individual Panel members visited

many of those countries a number of times. Owing to time constraints, individuals or authorities in other countries were reached by fax or telephone.

22. **Field trips**. Within the limited time available, the Panel and/or some of its members visited border areas in Kenya, Ethiopia and Somalia. In Yemen the cities of Sana'a and Aden and the port of Mukalla were visited. In Kenya the Panel went to Lamu and Mombasa. In Somalia the Panel visited Berbera, Boosaaso, Hargeysa and Mogadishu. Individual Panel members were often invited by Somalis to investigate key issues in Mogadishu but United Nations security restrictions often prevented these planned visits. In Ethiopia a trip was made to Gode and to the Somali border at Ferfer.

23. **Police and judicial records**. The Panel was able to access the police, judicial and bank records of certain cases, under investigation or under trial, linked to trafficking of arms and ammunition in the Horn of Africa subregion.

D. Standards of verification

24. The Panel agreed at the outset of its work to use high evidentiary standards in its investigations. This required a minimum of two credible and independent sources of information to substantiate any finding. Whenever possible, the Panel also tried to locate concerned individuals or companies and put allegations to those concerned so as to provide them with the opportunity of the right of reply. In most cases the Panel succeeded in identifying, locating and interviewing the individuals involved.

25. During the investigation, where possible, the Panel cooperated with the States concerned and transmitted the relevant information to them for further thorough investigation. Although a significant number of countries came forward with useful information, not one country volunteered information to the Panel unless specifically requested to provide it.

26. In addition to its own detailed verification, the Panel received corroborating information from international law enforcement agencies and law enforcement agencies in the countries members of the Intergovernmental Authority on Development (IGAD). The assistance of Interpol specialists was also called upon when deemed necessary. Throughout its investigation, the Panel did not rely solely on oral testimonies; corroborative documentary and circumstantial evidence was always insisted on. When the information could not be substantiated, it was left out of the report.

E. Difficulties encountered

Information assessment

27. Information management was one of the difficulties the Panel encountered. The divisive nature of clan politics in Somalia is reflected in the media; news reports are broadcast on the hundreds of Somali news web sites available. The Somali media was one of the many sources of information available to the Panel and, while this open source was very useful at the preliminary stage of the investigation, obstacles such as translation difficulties and misinformation made it quite unreliable.

28. In several cases, the Panel was misled by inaccurate media reports relating to violations of the arms embargo. For example, the national media reported the docking of a vessel carrying large quantities of weapons in the port of Kismaayo in June and, on a separate occasion, media sources reported the docking of a ship carrying weapons in the port of Berbera. After extensive investigations the Panel concluded that in both cases the information was false.

29. The filtering of information provided by individual sources is also necessary. Very often direct information given by Somalis on violations of the arms embargo, sometimes supported by documents, proved to be false.

30. The Panel found that, in addition to affecting its work, contradicting or false media coverage was also unhelpful for the progress of the peace talks at Mbagathi, as delegates at the talks were not spared the false and worrisome news reports about faction rearmament.

Improved awareness of the arms embargo and the deterrent effect of enhanced monitoring

31. Information on what the arms embargo entails and how it will affect society is not widely diffused. Although the wider Somali public may not have had knowledge of the report of the previous Panel (S/2003/223), the Panel found that the report had had a considerable impact on the main actors implicated in illegal arms trafficking in Somalia. On several occasions the Panel was met with hostility on the part of warlords, armed businessmen and/or their regional sponsors and suppliers who had knowledge of the previous report but refuted its findings.

32. Through its work, the Panel had a perceptible deterring effect on principal violators of the arms embargo. The presence of the Panel had a causal effect on the difficulty of obtaining weapons, ammunition or related materiel.

II. Context

A. Background and basic findings

33. The present report reflects a very thorough monitoring effort by the Panel. Despite numerous rumours the Panel found no major violations of the arms embargo in the past six months, at least not in the form of typical shipments carried in large vessels or heavy cargo aircraft. Nevertheless, the investigation reveals a disturbing picture of a continuous influx of small quantities of weapons and ammunition that feed the local open arms markets and faction leaders' warehouses in Somalia, despite the ongoing reconciliation process and the ceasefire declaration.

34. The principal victims of Somalia's protracted conflict and its lack of a functional government are of course the Somali people. But the Somali crisis is also a regional problem with causes and consequences that traverse borders: the search for a political solution has become a source of friction between regional governments; conflict and insecurity have disrupted normal trade flows across the region and pose a danger to international maritime traffic; large-scale population displacement has created semi-permanent populations of Somali refugees in neighbouring countries; weapons and ammunition from the Somali conflict have

flooded across borders; and Somalia's lawless, largely ungoverned territory has enhanced the vulnerability of the entire region to criminals and extremists.

35. On the margins of the international community, the Somali people have been left at the mercy of "governments" who pay their bills in counterfeit currency; faction leaders who demand tribute for the use of public assets like ports, airports and even sections of road; commanders who reward their troops with ammunition or khat; people traffickers who smuggle economic migrants on rickety boats to Yemen or on aircraft to Europe; and foreign interests that bestow arms, cash or political legitimacy upon their proxies of the moment.

36. The arms trade is a critical ingredient in this volatile mix, fostering insecurity and fuelling the Somali conflict. It is also a transnational problem with consequences for the security and stability of the region as a whole. The Panel has found evidence linking illicit arms flows into and through Somalia with the proliferation of small arms and light weapons throughout the region, with piracy in international waters, and with the activities of armed groups and extremists beyond Somalia's borders.

37. Although the States of the region have ceased to violate the arms embargo on the scale they have done in previous years, they persist in small-scale violations and few of them have taken active measures to curb commercial arms transfers to Somalia. The enforcement of the arms embargo can help to make militia establishments prohibitively expensive, steering faction leaders back towards the negotiating table and mitigating the consequences of conflict when it does occur. The embargo represents first and foremost a form of protection for the Somali people; until peace and responsible government are restored to Somalia, it also serves as the first line of defence in safeguarding the peace and security of the entire region.

B. The Somali peace process and the Mbagathi Conference

38. The most recent attempt to restore peace and government is the Somali National Reconciliation Conference, convened in October 2002 under the auspices of IGAD at Eldoret, Kenya. The Conference was transferred to Mbagathi, a suburb of Nairobi, in January 2003. Peace talks had entered their seventh month when the Panel became operational and there was an obvious correlation between the Panel's work and the events unfolding at the Conference. Most of the faction leaders or their representatives were present in Nairobi to attend the Conference, together with members of Somali civil society and diplomatic representatives of concerned Governments, which greatly facilitated the Panel's access to principal actors on the Somali scene.

39. The presence of the Panel in Nairobi served also as a deterrent, reminding faction leaders and their sponsors that they were under constant scrutiny. To reinforce this message, in June 2003, the Chairman of the Panel addressed the Conference, issuing a clear warning to potential violators of the embargo. There is no question that the level of arms transfers to Somalia during the first three quarters of 2003 represents a reduction over previous years: a trend that many observers attribute to the combined influence of the Mbagathi talks and the existence of the Panel.

40. These factors were insufficient, however, to entirely prevent either the flow of arms to Somalia or localized outbreaks of hostilities in parts of the country. The Declaration on Cessation of Hostilities and the Structures and Principles of the Somalia National Reconciliation Process (Eldoret Declaration) signed by faction leaders on 27 October 2002 has been violated so often — with impunity — that it remains essentially without force, and a steady stream of small-scale "micro-violations" of the arms embargo kept Somali militias supplied with arms and ammunition. It is the opinion of the Panel that the international community's failure to punish breaches of the ceasefire of October 2002 has contributed significantly to the failure of Somali leaders to respect their obligations in this regard.

41. By October 2003, the withdrawal of several key Somali actors from the Conference, as well as one of the three IGAD "front-line States" responsible for managing the talks, had brought the peace process into difficulty, threatening the return of tension and violence to parts of Somalia. At the same time, the Panel began to receive reports with growing frequency of preparations by factions to obtain arms and ammunition in the immediate future. Late in October 2003, the matter was brought before a summit of the IGAD member States, meeting in Kampala.

C. Relevance of the peace process to the arms embargo

42. The outcome of the current stage of the peace process is of direct relevance to the future of the arms embargo. A successful outcome of the Mbagathi Conference, leading to the formation of a stable, functional interim government for Somalia, would probably require continued monitoring of the embargo with selective exemptions to help the interim government to consolidate its authority (for example, to equip new national military and police forces), while denying opposition groups the opportunity to procure arms.

43. An ambiguous outcome, such as the declaration of a non-functional interim government unable to assert its authority, might lead to tensions between the new government and other de facto authorities within Somalia. In such a situation, monitoring and enforcement of the embargo could help to mitigate the consequences of violence between rival groups.

44. In the event that the process is temporarily suspended so as to restore consensus among IGAD member States or to seek broader participation, robust monitoring and enforcement of the embargo would deny the parties the opportunity to undertake military build-up during that period and thus minimize the likelihood of serious violations of the ceasefire during the pause.

45. Total collapse of the Conference with no immediate prospect of resumption would require continued monitoring and enforcement of the embargo to reduce the scope of renewed armed conflict and minimize the possible humanitarian consequences.

III. Cooperation with front-line and neighbouring States

46. The front-line States and regional actors are crucial external players in Somali affairs. More often than not, divergent regional interests in Somali political affairs have been an obstacle to national reconciliation.

47. The previous report of the Panel of Experts on Somalia (S/2003/223) gave a detailed overview of past violations of the embargo. The trend showed that arms had been supplied to the different warring parties:

(a) Directly by the armed forces of front-line or neighbouring States;

(b) Indirectly with the assistance of officials of front-line or neighbouring States;

(c) By provision of documentation such as official or fraudulent end-user certificates;

(d) By provision of access to airstrips and/or ports.

48. The Panel therefore decided to organize regular meetings with the authorities in the capitals of the IGAD countries and in Yemen. The experts regularly toured the region in the course of their investigations. Evidence collected was communicated to the host country's authorities for the purposes of verification and to promote cooperation with the IGAD member States on the basis of transparency.

49. Several countries in the subregion readily replied to the Panel's requests for information regarding the movement of aircraft. Djibouti, Egypt, Kenya, the Libyan Arab Jamahiriya, the Sudan, the United Arab Emirates and Yemen replied to the Panel's questionnaire without delay. Port authorities in Mombasa and Dubai were very responsive, providing the Panel with information, such as detailed lists of ships, owners and handling agents, within a matter of days of receiving the Panel's requests.

50. Unfortunately, such cooperation was the exception rather than the rule. The Panel found that, despite the many pledges of support for its work, precise information was hard to obtain. Continuous and repeated official requests for even basic information, such as lists of vessels and aircraft en route to or from Somalia, often met with no response. Specific queries from the Panel often received only flat denials with no elaboration. The port authorities of Asmara, for instance, failed to provide any information to the Panel, even after repeated requests and several visits. Likewise, although Eritrea and Ethiopia repeatedly promised their cooperation, the Governments of both countries failed to reply to specific requests for information.

51. In some cases the Panel found that lack of cooperation was directly related to the insufficient capacity of IGAD countries to monitor their borders. Indeed many States lacked the tools to sufficiently monitor exports and/or trans-shipments through their ports, airports, land border crossings, territorial waters and airspace.

52. In other cases the lack of cooperation may have been due to the sensitive nature of the information requested, including information regarding movements of troops, military materiel, aircraft or ships.

53. Basic data such as lists of ships or aircraft are important for the Panel, allowing it to track air and sea traffic to and from Somalia while making it easier and less time-consuming to verify anecdotal information. The Panel's monitoring of the embargo depends on the full cooperation of the Member States. The Panel regrets that some Member States have to be reminded repeatedly to provide even basic information.

The Nairobi Declaration

54. The proliferation of small arms is recognized by all States of the Horn of Africa as a threat to regional security and stability. Weapons imports to Somalia not only fuel the Somali conflict, they also pose a threat to the other States of the Horn of Africa. Small arms, light weapons and ammunition enter the Great Lakes region and the Horn of Africa through Somalia and are distributed via Kenya and southern Ethiopia to other States in the region such as Uganda, the United Republic of Tanzania and beyond. Many of the weapons and ammunition are used for criminal activity across the region.

55. The ready availability of weapons and ammunition in the region and the inability of any single State to resolve the problem led to the creation of a subregional mechanism for collective action. The Nairobi Declaration on the Problem of the Proliferation of Illicit Small Arms and Light Weapons in the Great Lakes Region and the Horn of Africa was signed on 15 March 2000 by 10 countries. The Nairobi Declaration and the ensuing Coordinated Agenda for Action established a regional secretariat, the Nairobi Secretariat, to coordinate the implementation of the Declaration among States parties.

56. There is a need for Somali authorities as well as front-line and neighbouring States to implement measures in accordance with the Coordinated Agenda for Action. The implementation of the Declaration in the region is progressing steadily. States such as Kenya, Rwanda, Uganda and the United Republic of Tanzania have made good progress in establishing national focal points and developing national action plans to deal with small arms and light weapons. However, other crucial signatories such as Eritrea and Ethiopia have yet to implement any of the measures required by the Coordinated Agenda for Action. Djibouti recently established a national focal point on small arms and light weapons, which is still in the process of being activated. No other measures required by the Declaration have yet been implemented.

57. States parties to the Nairobi Declaration agreed to a biannual ministerial review of progress in the implementation of the Declaration. The first ministerial review Conference was held at Nairobi on 7 and 8 August 2002, during which the Ministers urged the member States that had not yet done so, to implement the Declaration. The next ministerial review will be held in March 2004 at Nairobi. Putting the Somali arms embargo firmly on the agenda for that review conference can greatly assist in implementing and monitoring the embargo. The Panel believes that States parties to the Declaration that have yet to implement it should be requested by the Security Council to do so as a matter of urgency.

IV. Cooperation with international, regional and subregional organizations

58. International, regional and subregional organizations have a significant role to play in enforcing the arms embargo, particularly with regard to monitoring its effective implementation.

A. African Union

Military observers/peacekeeping

59. The African Union has begun planning for possible deployment of an international force that would carry out the difficult task of disarming all Somali armed groups and factions. In a preliminary stage, the African Union recommended dispatching an observer mission that would constitute a component of such an international force. The African Union mission in Somalia would establish a mechanism to monitor the cessation of hostilities of 27 October 2002. It would comprise up to 75 unarmed military observers and civilian staff.

60. The deployment of the African Union mission depends on external factors such as the capacity of the international community to provide support (finance, materiel and personnel) and the evolution of the peace process. Given the prevailing political and military conditions in Somalia an African Union reconnaissance mission, dispatched in July 2003, concluded that more work was needed before military observers could deploy to Somalia.

Cooperation with the Panel

61. One of the recommendations the Panel was asked to refine was the possible avenue of cooperation between regional organizations such as the African Union and the League of Arab States and the Panel of Experts. The experts held very fruitful meetings with the representatives of both organizations.

62. The African Union is committed to the implementation of the arms embargo and is ready and willing to establish a framework of cooperation with the Panel of Experts. Assistance would be provided in all areas of the enforcement of the embargo, including timely sharing of information relating to violations of the embargo and responses to investigative requests. In the event of the creation of the African Union mission in Somalia a stronger framework of cooperation would be put in place. The Panel found that there is a need to establish regular dialogue with the African Union.

63. Both at the Maputo summit (July 2003) and at the ninety-fourth ordinary session of the Central Organ of the Mechanism for Conflict Prevention, Management and Resolution (August 2003), the African Union reiterated its support to the Panel of Experts and looked forward to future cooperation.

B. League of Arab States

64. The League of Arab States is also committed to the implementation of the arms embargo and is ready and willing to establish a framework of cooperation with the Panel of Experts. The Panel met with the League at its headquarters in Cairo to discuss future avenues of cooperation.

65. The League of Arab States stands ready to make financial and technical contributions towards the creation of a programme focusing on the disarmament of militias. On the subject of monitoring, the League proposes the establishment of an international mechanism that would monitor the Somali coast. In addition, it recommends the creation of a training unit that would, within the framework of the United Nations, assist neighbouring countries in monitoring violations of the arms

embargo. The League of Arab States is ready to provide technical and logistical support to neighbouring States on condition that the United Nations guarantees follow-up with the neighbouring States.

66. The League of Arab States stated that it had contributed $1 million to the Transitional National Government only on the condition that the Transitional National Government provide a detailed expenditure sheet of the donated sum. The expenditure sheet can be found in annex I.

C. Non-State actors

67. In recent years there has been increasing recognition of the importance of civil society in Somalia. Over the past decade United Nations agencies, national and international non-governmental organizations and civil society groups have been active in providing assistance to the Somali people. The United Nations Development Programme (UNDP), UNICEF, Novib and GTZ, to name only a few, have ongoing initiatives that target, directly or indirectly, arms-related problems in Somalia.

68. Many elements of Somali civil society, such as traditional elders, peace-orientated organizations, religious groups, women's and youth organizations have expressed support for the arms embargo and have an important role to play in its implementation. Many such groups have provided the Panel with information or guidance that has been instrumental in the fulfilment of its mandate. The Panel is grateful for their support and believes that, with greater attention to civic education and awareness-raising, non-State actors in Somalia could play an even more effective role in tackling arms-related issues.

V. Violations of the arms embargo

A. Specific nature of the demand

Arms and ammunition

69. Importing arms and ammunition into Somalia remains a straightforward proposition. The main entry points for weapons are the ports that serve Puntland (Boosaaso), Mogadishu (Marka and El Ma'an) and Kismaayo, together with the airstrips around Mogadishu — Balidogle, K-50, Mogadishu North (Isaley) and Daynile. Somalia's long and largely unpatrolled borders with its neighbours also provide plentiful opportunities for arms trafficking, but the Panel has received no reports of large-scale deliveries across Somalia's land borders in recent months.

70. Airports and airstrips throughout Somalia are often used for the domestic movement of weapons. During an outburst of violence in one part of Somalia, weapons often move into that area from other regions to meet local demand. In October 2003, for example, the Panel received information about arms shipments by two small aircraft from Gaalkacyo to Jowhar, where militia forces had begun a military build-up.

71. The type of weaponry used in Somalia is partly a function of militia tactics and partly a function of the limited resources available to armed groups. Most violent

episodes are gang-type incidents lasting only a few hours. The potential for escalation is limited by a general reluctance to suffer casualties and by the cost of ammunition. In Mogadishu, the most violent location in the country, the scope for violence is determined by the political and business interests of less than a dozen major faction leaders and their allies, most of whom can muster only a few hundred militia and a dozen gun-mounted "technical" vehicles at any given moment. Since no single leader or coalition has the means or the motive to challenge the others in a decisive engagement, the situation in the city has long remained a nervous stalemate. When a serious confrontation is anticipated, however, larger quantities of arms and, more importantly, ammunition, enter the Mogadishu market.

72. Somalia's desultory militia warfare mainly requires low-cost assault rifles, pistols, hand grenades, rocket propelled grenades, mortars, heavy and medium machine guns and anti-aircraft cannons deployed in a ground-attack role.[1] Since large quantities of these weapons are already available throughout the country, most armed groups require steady access to ammunition rather than arms. Although the warlords and armed businessmen derive considerable incomes from the taxation at roadblocks or at airstrips and ports, none of them seem to have the intention of investing significant amounts of money in modern or sophisticated weapons systems. Most weapons are therefore low-cost, second-hand items manufactured in the former Soviet Union or associated States.

73. Because the trade in weapons is generally restricted to small quantities of light weapons and their ammunition, the preferred method of sanctions-busting is to transport weapons in a small fishing vessel or concealed in an aircraft's cargo hold. Given the specific nature of the conflict in Somalia, however, these constant micro-flows of weapons and ammunition are a major element in the perpetuation of lawlessness and violence.

Uniforms and other non-lethal equipment

74. The Panel disagrees with Governments and private companies which argue that the supply of uniforms or police equipment to Somalia would not constitute a violation of the arms embargo. In fact, paragraph 3 of resolution 1356 (2001) provides for Member States to request the Security Council Committee established pursuant to resolution 751 (1992) to receive and review requests for exemptions to the provision of such materiel. In the Somali context, uniforms and non-lethal equipment represent a significant contribution to the overall effectiveness of combat units. The Security Council has yet to authorize any Somali authority to import military materiel, lethal or otherwise, and unauthorized shipments of uniforms are therefore violations of the embargo. Furthermore, the trade in uniforms or police equipment is often a perfect vehicle for the delivery of arms. The market is controlled by the same producers, brokers, licence holders and representatives of companies that deal in weapons. Shipping agents and freighters that are willing to ship military items such as uniforms will generally raise no objection to shipping arms.

75. For example, the General Manager of the company SomCan, hired by the Puntland authorities to collect fishing licences and sell protection services to fishing companies, acknowledged in an interview with the Panel that a fishing company

[1] Several factions also dispose of field artillery, multiple rocket launchers and armoured fighting vehicles, but these are rarely brought into play.

from Thailand, Sirchai, had supplied military uniforms to the Puntland authorities as a down payment in kind for a fishing licence and protection fee early in 2003. SomCan's vessels are manned by the "Puntland Marines", a force of 400 combat personnel equipped with both light and heavy weapons.

76. In a separate development, a Mogadishu businessman named Abdinur Ahmed Darman imported military uniforms via the Dubai free zone to Somalia. Darman is known not as a faction leader but rather as a facilitator for contracts for foreign companies seeking access to Somalia's natural resources who has also been involved in the printing of fake Somali shillings. In July 2003 Darman raised his own militia in Mogadishu where he staged a big rally in which he declared himself to be the President of Somalia. The rally was covered by the media network Al-Jazeera, whose footage has since been advanced to support Darman's claim to Somalia's highest office. To complete his transformation, Darman opened an e-mail account with the address somalipresidency@yahoo.com.

77. The uniforms required for Darman's stunt were ordered from a local supplier in Dubai[2] by the owner of a private company who backs Darman's political aspirations. The Dubai-based supplier placed the order for the uniforms in Pakistan, and they were then re-exported through the Dubai free zone. The Somali airline company, Juba Airlines, was then chartered to ship the consignment to Mogadishu. The manager of Juba Airlines showed a copy of the cargo manifest for the shipment to the Panel. The manifest indicates that the shipment was transported in June 2003 and was listed simply as "general cargo". In a subsequent interview with the Panel, the supplier in Dubai admitted that he had no idea who the end-user for the uniforms would be. Since cargo in transit is neither opened nor inspected, it would not be apparent to the shipper whether the boxes contained garments, "general cargo" or indeed any other supplies for Darman's Mogadishu militia.

78. During a trip to Malaysia in June/July 2003, Abdinur Darman once again discussed a uniform contract with Malaysian businessmen. According to Darman's assistant those uniforms remain stockpiled in Malaysia and will reportedly be shipped to Somalia after the conclusion of the peace talks in Kenya, when the monitoring of the embargo is currently scheduled to lapse.

B. The domestic arms market

79. Most faction leaders do not deal directly with international arms dealers for commercial transactions. Instead, they employ local salesmen who obtain their merchandise through a long chain of brokers. The principal source of arms and ammunition for such transactions is Yemen, from where small quantities of weapons are usually shipped in small boats to the coast of north-eastern Somalia (Puntland). Once a consignment of weapons arrives in Somalia, brokers in Mogadishu and elsewhere are notified and can place orders accordingly. If the shipment is too large or costly for a single broker, then several different brokers may divide it up among themselves.

[2] Hakeem Garments and Uniforms Trading, Ajman, United Arab Emirates.

Yemen: Somalia's arms supermarket

80. Military hardware of all types and quantities is available in Yemen. The Government is the only official importer of weapons into the country, but imports are said by experts to exceed domestic demand and many arms and munitions find their way into the possession of independent sheikhs or on to the country's open weapons markets.

81. The successful collaboration of Yemeni and Saudi authorities in clamping down on weapons availability and weapons trafficking across the shared border has had an appreciable impact in the Yemeni arms markets, where a 10 to 15 per cent increase in the price of weapons has recently been noted. Yet the profits for importers are still enormous. From wholesale purchase to street price one importer quotes a profit margin of 200 per cent. A table with the most recent prices for selection of small arms and light weapons in Somalia and Yemen is in annex II to the present report.

82. Somalia proves a profitable and easily accessible destination. Yemen's arms traders are well funded, well equipped and have hundreds, if not thousands, of vessels at their disposal. Dhows have carried trade between the two countries for thousands of years. Today, ships export arms to Somalia and return carrying biscuits, ghee, tinned and powdered milk and cooking oil. The steady demand for weapons in Somalia provides an incentive for those prepared to carry illegal shipments and the micro-trafficking with small boats described in this report take place on an almost daily basis. The Panel found it hard to quantify the magnitude of the trade. The investigations of the Panel in Yemen however show that tons of weapons are shipped to Somalia, an estimate that was confirmed by the dealers and brokers interviewed.

83. Even though the security of the Yemeni ports — and in particular the Aden Container Terminal — has markedly improved, the long Yemeni coastline remains virtually unpoliced and continues to serve as a trans-shipment point for arms to Somalia. Vessels, especially traditional dhows, can land and depart from the coast unregistered and undetected. Weapons, machine spare parts, alcohol and fuel are among the goods frequently smuggled out of Yemen. The fact that an estimated 1,000 refugees from Somalia arrive in Yemen each month proves how easy it is for ships to land undetected.

84. Smuggling of contraband goods is often organized with the help of Yemeni military officials, sheikhs and business people. In some instances unofficial exports are undertaken by businessmen or sheikhs with the help of the Yemeni security sector. At least one Yemeni family identified to the Panel as dealing in arms to Somalia is reported to have family connections to the Yemeni armed forces: the brothers Rushti, Mohamed and Said Abdalla bin Abaad.

85. Yemeni officials claim that cargo is inspected prior to export, but cargo vessels still manage to leave Yemeni shores with arms hidden in general cargo. These are sometimes offloaded to smaller boats, a short distance from the Yemeni shore, which in turn deliver the consignments to Somalia. With short wave, VHF and GSM (mobile) communications, offloading can easily be coordinated with recipients waiting along the Somali shore. Local administrations at both ends of the transactions are either unable or unwilling to stop the trade.

86. To address this and other threats along the Yemeni coast the United States Government has been providing the Yemeni Coast Guard with technical assistance. The Panel believes, however, that to be effective the Yemeni Coast Guard will need additional material support and training.

87. In addition, an international Coalition Maritime Task Force (currently under French command) operates in the southern Red Sea, the Gulf of Aden and the western Indian Ocean as far south as Dar es Salaam. Its task is to provide counter-terrorism maritime security but, since it has no mandate to interdict weapons traffic, its presence has had only a limited impact on the shipping of arms to Somalia.

The north-eastern Somalia arms pipeline

88. The vast majority of commercial arms exports from Yemen are destined for the north-eastern coast of Somalia between Las Qorey and Ras 'Asayr (Cape Guardafui) at the tip of the Horn. This remote shoreline provides numerous unregulated landing sites which can readily be used for the movement of contraband cargo, weapons, fugitives from justice and economic migrants "in transit" to the Middle East and Europe.

89. Most weapons shipments go unnoticed and unreported. However, in areas controlled by the Puntland administration, including the port of Boosaaso, police and intelligence services are responsible for the interdiction of the arms trade. The Puntland authorities provided the Panel with the identities of 24 arms dealers in the region, some of whom have been apprehended and their consignments confiscated by the authorities. Several of the dealers have joined forces to form private companies, the two most significant of which are known as Bugaanbug and Dooxo.

90. The Puntland authorities also identified sailing vessels recently involved in smuggling arms between Yemen and Somalia as follows:

Vessel	*Registration*	*Owner*	*Importer*
Shihir-86	Mukalla, Yemen	Mohamed Said bin Abaad	
Shamsan	Mukalla, Yemen	Najib Awil	Ali Mohamed Ahmed
Fathul Khayr	Mukalla, Yemen	Salim Bin Abaad	Abdi Sooye Qadin and Asha Abdi Yusuf
Shihir	Mukalla, Yemen	Bin Abaad	
Al-Qaadsiya		Ali Bee	

91. Despite the attention of Puntland law enforcement officials, the main port of the region, Boosaaso, offers protected landing capabilities for smugglers with the right political connections: the Panel has learned of several instances in which officials of the Puntland administration intervened to effect the release of arms dealers and their cargo from detention.

Mogadishu: hub of the arms trade

92. From Boosaaso, arms and ammunition depart in various directions, with a portion remaining in north-eastern Somalia (Puntland). The bulk of the traffic is however destined for Mogadishu, the hub of the Somali arms trade.

93. Brokers from Mogadishu occasionally pick up their consignments in Boosaaso, but the majority prefer to collect their goods at Gaalkacyo, a traditional crossroads of clans and commerce. Out of fear for their own safety, some Mogadishu brokers rely on middlemen from small, "neutral" clans to mediate the transactions with the Boosaaso dealers. In interviews with a number of Mogadishu arms brokers, the Panel has learned that they usually deal with small quantities, not in excess of a few thousand dollars in value. They take a commission on every deal they make, and they can make considerable windfalls when major warlords begin stocking up in anticipation of an escalation in fighting, causing prices on the market to surge. As far as the Panel has been able to determine, few if any of the brokers are involved in organizing major imports of weapons from arms-producing countries.

94. Each broker tends to cater to certain "clients" among the Mogadishu factions — the relationships are typically determined by kinship ties. In Mogadishu the warlords may come directly to the arms market or use specific brokers for their needs. According to one source, many transactions involve a simple swap of weapons for khat.

95. The Panel has learned the names of five dealers considered to be particularly important to the transit trade between Boosaaso and Mogadishu. Mohamed Osman Raghe Buraleh works as a broker for the Transitional National Government. Mohamed Qanyare Afrah reportedly relies on two brokers, Ali Sandheere and Abdi Jili'ow. Mohamed Dhere uses a broker or "market representative" with the nickname "Kulmiye" and another named Yusuf Garbod, who also acts as an intermediary for Bashir Rage, a well-armed businessman who controls the Mogadishu North (Isaley) airstrip and part of the port of El Ma'an. Hussein Aideed uses two brokers from his clan, named Farah Yare and "Nigeria" (the latter is considered to be one of the more important dealers on the market). Some faction leaders prefer to do their own shopping: the Juba Valley Alliance's number two, Yusuf Serah, travelled from Kismaayo to Mogadishu in June 2003 to buy large quantities of ammunition.

96. Although brokers occasionally import larger weapons systems, such as cannons and machine guns for mounting on vehicles, the Panel found imports of such systems during the course of its mandate to be rare, and reported deliveries of such weapons were sometimes mistaken. For example, the Panel sought to identify the supplier of a seemingly new ZU-23 anti-aircraft gun mounted on one of Mohamed Dhere's trucks in Jowhar, a town under his control,[3] but two local sources independently informed the Panel that it is an old system that has been recently refurbished.

97. Warlords in turn supply the market: when in need of ready cash, it is not unusual for faction leaders to sell some of their stock — usually valued at not more than $5,000 to $10,000 according to one of the brokers interviewed by the Panel.

[3] The current domestic price for the ZU-23, one of the heaviest types of weaponry used by the warlords, is around $60,000. The Panel's enquiries of dealers in the producing countries in Eastern Europe found that a newly produced ZU-23 can be obtained for around $40,000.

C. Trade and transportation

98. The north-eastern Somalia arms pipeline is by no means the only method by which the arms embargo continues to be violated. Somalia is a trading nation whose economy depends mainly on livestock exports and transit trade with neighbouring countries. In the aftermath of the government collapse in 1991, new airlines and shipping companies have sprung into being, many of them bearing registrations of convenience and transporting cargoes of opportunity to make ends meet.

99. Somalia's dynamic trade and transportation sectors have helped to keep the country's economy afloat during years of crisis and civil war, but the absence of effective regulation or systematic oversight, either in Somalia or in the countries with which it trades, has generated multifarious opportunities for trafficking in arms and contraband.

"General cargo"

100. Cargo going to and through Somalia is not often inspected. If airport, port or border inspections are conducted the paperwork may be checked, but physical inspections are rarely carried out, especially when cargo is for trans-shipment or re-export.

101. The Panel had access to numerous cargo manifests and airway bills. These documents do not accurately describe the nature of the cargo but mention, in most cases, that a ship or an aircraft contains a certain quantity of "general cargo". This might mean that sandals or goat meat are shipped, but it might also mean that part of the cargo contains military equipment or related materiel. Clearly, a reading of the cargo manifest is insufficient for the purposes of monitoring violations of the embargo.

102. Inspection of all cargo going to and from Somalia by Somalia's neighbours would, however, require manpower and sophisticated screening equipment that most countries in the region do not possess. In the absence of systematic inspections, even random inspections of cargo and improved intelligence gathering would create a clear deterrent for those intending to violate the arms embargo.

Ground

103. Somalia's borders with its neighbours are long, remote and generally without controls on either side. Much of the movement across the borders involves informal trade essential to the welfare of the pastoralists who inhabit these largely inhospitable environments. Some of the trade, however, involves contraband foodstuffs, luxury goods and, of course, weapons.

104. The border between Ethiopia and Somalia is about 1,600 kilometres long and very poorly monitored. Only two main dirt roads connect Ethiopia and southern Somalia. The Panel visited the road connecting Gode with the border town of Ferfer, encountering only two lorries and three minibuses over the course of two days. According to an Ethiopian armed forces officer in Ferfer, Ethiopian border controls are inadequate: many vehicles do not travel on the main road and easily avoid inspection. Two soldiers were on duty on the Ethiopian side at the time of the Panel's visit. On the Somali side of the border there were no controls at all: no soldiers, no police, no customs.

105. Most of the trade between Somalia and Ethiopia passes through unregulated border points and is subject to no duties or taxes. Village markets along the road within the region of Ethiopia bordering Somalia are full of duty-free products from Somalia and the Somali shilling, not the Ethiopian birr, is the currency of choice for doing business. According to the Ethiopian commander of the Ferfer garrison, small arms tend to enter into Ethiopia through uncontrolled crossings such as Menelik Tarara, Shilabo and El Berde. The latter is routinely cited as a staging area for militia associated with General Morgan, a Somali faction leader closely aligned with Ethiopia. According to the commander, Somali militiamen enter overnight without vehicles. They leave the arms on the Ethiopian side of the border and go back to Somalia unarmed.

106. The arms traffic moves in both directions. According to one Ethiopian officer interviewed by the Panel, Ethiopian arm shipments no longer pass through Ferfer, but rather across the border between Ethiopia and Puntland, or through the Juba Valley. Somali arms brokers from Mogadishu confirmed to the Panel that it remains easy for them to obtain quantities of arms and ammunition at the Ethiopian border: the trade is controlled by Somalis who speak Amharic and buy weapons from individual soldiers on the Ethiopian side of the border.

107. Similarly, the trafficking of small quantities of arms remains a problem along the long border between Kenya and Somalia. Kenyan authorities described to the Panel a steady flow of weapons into Kenya across the border between the two countries. Small arms are readily available on the black market in the neighbourhood of Eastleigh, an area of the Kenyan capital inhabited largely by ethnic Somalis. Somalia, however, is not the sole source of weapons entering Kenya: the Panel also saw evidence of small arms unavailable in Somalia, reportedly imported from either the Sudan or the Democratic Republic of the Congo.

Air transport

108. There are currently about 2,500 flights per month, on average, through Somali airspace. About 50 per cent of these are overflights by normal scheduled international airlines such as Emirates, Kenya Airways etc., while the other 50 per cent are flights with destinations or origins in Somalia.[4] More than half of the flights destined for Somalia originate in Kenya (general aviation from Wilson Airport and humanitarian flights), while the rest are mainly from the United Arab Emirates and Ethiopia. The busiest Somali airport is Hargeysa, which has an average monthly traffic volume of 8,000 passengers and 350 tons of cargo. Most airports are in a state of serious disrepair, and only two (Berbera and Gaalkacyo) have a paved runway longer than 2,000 metres.

109. A mix of schedule, charter and ad hoc operators provides air transportation services for both passengers and cargo to and from Somalia. Services are operated out of Nairobi by three airlines on a regular basis. Two of these, Bluebird Aviation and Knight Aviation, fly khat (known in Kenya as miraa) on a regular basis. Most services from Sharjah and Dubai in the United Arab Emirates use Djibouti as a hub or transit point, and are operated by Daallo Airlines, Juba Airlines, Gallad Air, Damal Airlines and Star African Airlines. Unlike air operators in Kenya, most of the

[4] Regular air transportation services are essentially restricted to the following airports: Hargeysa, Balidogle, Baidoa, Daynile, Galkayo, Boosaaso, Garoowe, Mogadishu, K-50 (Mogadishu), Berbera and Kismaayo.

operators based in the United Arab Emirates do not possess their own aircraft. Instead they tend to lease aircraft from companies based in Ukraine and other former Soviet-bloc countries.[5] For example, Daallo and Juba Airlines both lease aircraft from Phoenix Aviation, while Star African Airlines leases from Aerovista. Both Phoenix and Aerovista also provide independent passenger and cargo services to Somalia.

110. Regulation of air traffic, air transportation service operations and safety oversight in Somali airspace is very limited. The effectiveness of the Civil Aviation Caretaker Authority for Somalia as a monitoring and oversight agency is greatly compromised by its very limited physical presence (at only five airports in the north) and resources. Civil aviation activities within Somalia at the airport level are essentially uncontrolled, especially in the south where airport operations fall under the control of different faction leaders. Faction leaders tend to manage their airports as private businesses, charging an average of about $200 for landing and $200 to $300 for handling fees. In return they theoretically provide limited ground handling and air traffic control facilities. Concerned that such payments represent a significant source of financing for certain faction leaders, the Panel requested airline companies to provide basic information about their flights into Somalia, including the fees and taxes they pay to the controllers of the airstrips. Without exception, the airlines declined to reply in writing about the issue of payments.

111. Given the limited enforcement and control capability of the Caretaker Authority, flight operations from and to Somalia can easily avoid detection and conduct sanctions-busting operations. In addition, flight operations to and from Somalia are fraught with irregularities that could make arms trafficking by air and sanctions violations relatively easy. The Panel looked into several of them, trying to find evidence of arms smuggling operations. There has been frequent use of dual or multiple call signs by some operators, and even the changing of registration numbers on the same flight. Owing to time constraints it has not been possible for the Panel to follow up on all such reports, but a few illustrative examples are included below.

112. Both Star African Airlines and Damal Airlines have been found using the livery of United Nations bodies — the World Food Programme in one case, the Office of the United Nations High Commissioner for Refugees in the other. In neither case was the operator under contract with the United Nations organizations concerned.

113. On 1 September 2003, an aircraft registered in the Russian Federation conducted a flight on behalf of Star African Airlines from Sharjah to Hargeysa. On the same day, the same aircraft conducted a flight on behalf of Damal from Hargeysa to Boosaaso. Upon departure from Boosaaso for the return flight to Sharjah (via Ryan airport in Yemen) this same aircraft changed its registration from Russian to Ukrainian. Even if no irregularities occur, constantly changing the only identifiable markings on an aircraft makes it easier for aircraft to remain undetected.[6]

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[5] These aircraft are usually registered in former Soviet-bloc countries, but some carry registration of convenience, like Equatorial Guinea.

[6] In both cases the Panel interviewed the owners of the aircraft and the different operators and freight forwarders who had chartered the aircraft. The cargo manifests showed they were carrying passengers and "general cargo".

114. Between the last week of September and early October 2003, the Panel also learned of a Boeing 727 aircraft that made several landings at Balidogle airfield, near Mogadishu; the Panel suspects that aircraft of fraud, using the registration number of a Kenyan aircraft that is currently grounded for maintenance in Nairobi. From 9 to 11 October 2003, the Panel also received reports of two or possibly three flights of military aircraft to an airstrip at Jowhar. These cases were still under investigation at the time of writing of this report but added to the Panel's belief that an escalation of the differences between the different factions at the negotiating table in Nairobi may lead to renewed flows of weapons into Somalia.

Air Bas and the Bout connection to Somalia

Air Bas is a commercial charter company whose Somali clients currently include Gallad Air and Juba Airlines. Air Bas came to the attention of the Panel because of the company's alleged connections with arms merchant Viktor Bout. Viktor and his brother Serguei have a long history of involvement in the arms trade throughout Africa, including Somalia.

The Bouts are no longer visibly present in the United Arab Emirates but Air Bas was believed to be one of the front companies they were using to maintain a presence at this important hub for the entire subregion. Air Bas staff, in several interviews with the Panel and in a written reply to the Panel said that they were "not associated by any means" with Bout, despite the fact that they are based in the same offices that were held by Bout's company AirCess and that they operate aircraft that were part of the fleet of Viktor and Serguei Bout. The Air Bas management also refused to give the Panel basic documentation showing the shareholders and registered address of the company.

The Panel however had access to documents showing that Air Bas was established in Texas in May 2002. The records of incorporation were filed on 26 June 2002 (filing number 800098068). Richard A. Chichakli, a known associate of Viktor Bout, is the President.[a] In the United Arab Emirates the company is represented by Viktor Lebedev, the acting manager of Air Bas Transportation. Payments to Air Bas are to be made to the account of the company Irbis in Kazakhstan. Irbis has been a front for the leasing operations of Viktor Bout's aircraft for years.

A document obtained by the Panel shows that on 12 May 2002 the manager of Air Bas Transportation in Sharjah signed a document giving "power of attorney for all transactions related to the company" to Viktor Bout's brother Serguei Bout. The document is countersigned by Serguei Bout and a copy of his passport is attached to it. Therefore, in effect, the company can accurately be described as a front operation for one of the Bout brothers, despite the denials of Air Bas staff.

[a] Richard A. Chichakli was the chief financial officer for Viktor Bout's companies AirCess Holdings Ltd., Air Pas and San Air General Trading FZE (Sharjah) and the registering agent and principal officer for San Air General Trading LLC (Texas, United States of America).

115. Some of the airports used by air operators to and from Somalia are not very effective at monitoring air cargo or flight operations. A review of some manifests made available to the Panel reveals serious weaknesses in the system. Most cargo is listed as "general cargo", but inspection procedures are generally insufficient to determine whether this is indeed the case. For example, customs officials at transit points for Somalia-bound aircraft often place excessive confidence in documentation and inspection procedures at the point of origin (mainly Sharjah and Dubai). Djibouti is a major transit hub for both passengers and cargo to Somalia, but the airport lacks a scanner to inspect air cargo and appears to be weak in terms of effectively controlling and monitoring cargo traffic. Ryan airport in Yemen does not provide any inspection for air cargo in transit. Most Somalia-bound operators justify their visits to Ryan as technical stops for refuelling, but it is unclear why they should choose to do so, given that there is no appreciable difference in the price of aviation fuel between Yemen and the United Arab Emirates.

116. Non-compliance with requirements for foreign operators based in the United Arab Emirates has led the authorities there to ground several aircraft operated by the companies mentioned above, but not all Governments concerned have taken a similar level of interest or been so proactive. Their full commitment to the embargo effort would greatly enhance the prospects for its success. Likewise, better coordination between States and technical assistance in the areas of inspection would do much to improve the enforcement capabilities of airports in the front-line States. Within Somalia, additional support to the Caretaker Authority, ensuring that all aircraft entering Somali airspace can be positively identified and tracked, would be central to the embargo's effective implementation.

Sea

117. The Somali coastline is the second largest in Africa and international maritime trade is a crucial pillar of the Somali economy. Exports include livestock, hides, frankincense and agricultural products, while imports consist mainly of basic foodstuffs, consumer goods and relief cargo. An estimated 80 per cent of the economic activity of the country is related to international trade, more than half of which involves third countries such as Ethiopia and Kenya. A substantial amount of coastal trade also occurs between Djibouti, Mombassa, Dar es Salaam and the Somali ports.

118. Maritime trade plays a central role not only in Somalia's economic welfare but also in its political dynamics. In some areas, port revenues represent a main source of revenue for regional administrations that have brought stability and security to parts of the country. In Mogadishu, however, coalitions of factional and commercial interests have conspired to keep the main port closed, while the profits from ancillary ports have been diverted for personal and political gain. Revenues from the port of Kismaayo — including income from the environmentally disastrous export trade in charcoal — have permitted the Juba Valley Alliance to retain military control over the port town.

119. Maritime trade involves mainly deep-sea vessels, coasters and dhows that call into the major functioning ports of the country: Berbera, Boosaaso and Kismaayo. The port of Mogadishu remains closed, the city of Mogadishu being served by the lighter ports of El Ma'an and Marka. There are also many other lighter ports and

landing places that serve small communities and occasionally replace the major ports when they are closed because of conflict.

120. The Somali traditional fleet includes thousands of vessels plying the waters of the western Indian Ocean, the Gulf of Aden, the Red Sea and the Persian Gulf. Historically, this fleet included small sailing dhows. Currently, however, in the Horn of Africa and Somalia, most dhows are motorized and have cargo capacities ranging from 50 to 750 tons. The majority of these vessels, which call in at Somali ports and coastal landing areas, trade between Oman, Saudi Arabia, the United Arab Emirates and Yemen. The majority of the cargo comes to Somalia from the United Arab Emirates This is considered a seasonal trade, which, being dependent on the weather, generally peaks from December to June.

121. Wooden dhows are usually registered in the ports where they were constructed and, while some of the vessels are company-owned, most belong to individuals. Although they are often large and sophisticated (up to 1,000 tons) these vessels are still considered "traditional" by most ports of call and are therefore given a great deal of latitude regarding crew qualifications, safety, navigational equipment, cargo stowage and compartmentalization. They often sail without a proper cargo manifest or crew list and most sail without insurance.

122. In recent years another class of vessel has augmented this fleet. Small (5-20 m), relatively fast, fibreglass craft, motor-driven boats that were originally designed for fishing, are found sailing between the coast of Yemen and the northern Somali coast. They also sail between the northern coast of Kenya and southern Somalia and have become the vessel of choice for moving individuals or small groups of people and arms to and from Somalia. These vessels can sail quickly (overnight), and undetected, from Yemen to the remote Somali coast and if challenged can claim to be travelling to or from Somali fishing grounds. Vessels such as these were used by the perpetrators of the terrorist attacks of November 2002 near Mombassa on at least two occasions for transport between Kenya and Somalia: the M.V. *Midrarah* in April 2002, and the M.V. *Sauda* in December 2002.

123. Although the vast majority of arms for Somalia are carried by vessels belonging to the traditional fleet, major consignments may sometimes be carried in larger, foreign vessels. Puntland officials reported to the Panel the sinking of a vessel, the *Himbol*, near Hobyo in July 2003, which was allegedly loaded with weapons and vehicles from Eritrea. It remains unclear what cargo the ship was carrying. The Panel established that the *Himbol* was one of the ships of the Eritrean Red Sea Corporation that was often used for the transportation of military hardware. During visits to Asmara, the Panel raised the issue with the maritime authorities on two occasions but received no replies on the exact nature of the cargo and destination of the ship.

D. Regional insecurity: arms into and through Somalia

124. The proliferation of small arms is recognized by all States of the Horn of Africa as a threat to regional security and stability. Weapons imports to Somalia not only fuel the Somali conflict, they also pose a threat to the other States of the Horn of Africa. Violations of the arms embargo involve not only weapons destined for Somalia but also those that later find their way into neighbouring States. These are mainly small arms and ammunition: assault rifles, pistols, hand grenades and,

occasionally, machine guns. For example, the Panel learned of a consignment of 700 Kalashnikov assault rifles smuggled from Somalia into Kenya late in August 2003, and saw evidence of small arms in Boosaaso destined for the Ogaden National Liberation Front in Ethiopia.

125. Furthermore, the Panel has documented evidence of embargo violations in which small numbers of weapons like portable air defence systems, single-use anti-tank launchers and possibly explosives have found their way into neighbouring States. The nature and quantity of such weapons means that they have little or no perceived military value in Somalia, but they offer a potentially significant "force multiplier" for extremist groups elsewhere in the region. The ease with which such weapons continue to enter Somalia represents a clear and immediate threat to Somalia's neighbours.

Arms trafficking and terrorism

126. The link between weapons proliferation and terrorism in the Horn of Africa is not in dispute. The Nairobi Declaration acknowledges the role of small arms and light weapons in sustaining armed conflict and abetting terrorism, cattle rustling and other serious crimes in the region and the IGAD Conference on the Prevention and Combating of Terrorism found that although there is no causal relationship between the proliferation of small arms and terrorism, small and light weapons are a means of committing terrorist acts.[7]

127. Owing to violations of the Somalia arms embargo, transnational terrorists have been able to obtain not only small arms, but also man-portable air-defence systems, light anti-tank weapons and explosives. On at least one occasion in the past 12 months, arms delivered illegally to Somalia were employed in the commission of a terrorist act in Kenya; although that particular attack was unsuccessful, the Panel believes that additional weapons may have since been imported into Somalia solely for the purpose of carrying out further terrorist attacks in neighbouring States.

Missile proliferation and control

128. There are few man-portable air-defence systems remaining in Somalia. The first shipment of Strela missiles from the Soviet Union probably arrived in Somalia in 1976 and some were employed during the 1977-1998 Ogaden war with Ethiopia. The system met with little success in combat, partly because of its rudimentary target-seeking technology and partly because of inadequate training of Somali troops in its use. After 1978 the Somali armed forces appear to have abandoned the Strela in favour of static air-defence systems like the SA-2, and the Panel is unaware of any deliveries of man-portable air-defence systems to Somalia after that date. In any event, it is unlikely that any such systems imported into Somalia prior to the imposition of the arms embargo in 1992 would still be functional, because of improper storage and lack of maintenance. Furthermore, the reliance of the Somali militia on RPG-7 anti-tank weapons, rather than surface-to-air missiles, to attack American combat helicopters from 1993 to 1995 suggests that man-portable air-defence systems were not available in Somalia during that period.

[7] Intergovernmental Authority on Development, *Report on the IGAD Conference on the Prevention and Combating of Terrorism*, Addis Ababa, 24-27 June 2003, p.6.

129. It seems safe to assume that any functioning man-portable air-defence systems currently available in Somalia have entered the country in recent years in violation of the arms embargo. Since no Somali faction has ever possessed serviceable combat aircraft, however, demand for air-defence systems has been negligible and the Panel is unaware of any imports of this type of weapon from 1992 to 1998. In 1998, however, the war between Eritrea and Ethiopia led to the opening of a second front in Somalia, involving the deployment of Eritrean-backed Oromo Liberation Front (OLF) fighters to Somalia under the protection of Hussein Aideed. Ethiopia threatened to launch air raids on the OLF camps near the southern coastal town of Marka, and Eritrea thus provided Aideed with three consignments of Strela-2 missiles. Aideed told the Panel that in May 2003 he surrendered 41 man-portable air-defence systems to United States Government agents in exchange for cash – a claim verified by other Somalis and foreign intelligence sources. It is unclear whether this figure represents the full quantity of missiles received from Eritrea: Aideed claims that he received only 41, all of which are now accounted for. Other sources have, however, told the Panel that Aideed received at least 43 missiles, and that four SA-7s from his stock are currently for sale on the black market in Mogadishu. Failure of the concerned Governments to respond in a timely fashion to the Panel's requests for information means that it has not been possible to assess whether man-portable air-defence systems currently on the Mogadishu market arrived with the 1998 consignment from Eritrea or from more recent violations of the embargo.

Surface-to-air missiles: the Arkia Airlines Incident

On 28 November 2002, members of an East African Al-Qaida cell unsuccessfully attempted to shoot down Arkia Airlines flight 582 leaving Moi International Airport (Mombassa) for Tel Aviv. At the same time, suicide bombers attacked the Paradise Hotel at Kikambala, just north of Mombassa, killing 12 people.

As early as 1998, in the aftermath of attacks on the United States embassies in Nairobi and Dar es Salaam, Al-Qaida's East Africa network began to reorganize in anticipation of future operations. Under the overall leadership of Fazul Abdallah Mohamed (also known as Harun or Abdulkarim or Abu Luqman), a national of the Comoros sought by the United States for his alleged involvement in the embassy bombings, a team was assembled along the Kenyan-Somali coast between Mogadishu and Mombassa. Several of its members became involved in small-scale lobster fishing with capital provided by the organization.

In November 2001, part of the team concentrated for the first time in Mogadishu. Senior members of the group provided junior members with ideological orientation and small arms training, using locally purchased Kalashnikovs, pistols and hand grenades. One month later the group dispersed. Several members returned to the Mombassa area where they joined other members of the network. By April 2002, targets had been identified and were under surveillance.

The weapons procured for the operation included two 9k32m Strela-2 surface-to-air missiles (known also by the NATO designation

SA-7b Grail) together with two 9p58 gripstock launchers. The missiles were manufactured in the Soviet Union in 1978, while the launchers were produced in Bulgaria in 1993. In 1994, the missiles were sold to Yemen as part of a larger consignment. The missiles arrived in Somalia by one of two possible routes: they were either smuggled from Yemen directly by commercial arms dealers, or transferred first to Eritrea and then to Somalia as part of an Eritrean Government transfer to faction leader Hussein Aideed in 1998.[a] In August 2002, the missiles were smuggled into Kenya from Somalia by sea. The launchers had been painted blue and white, presumably to camouflage their real purpose and to minimize the risk of discovery during onward transport to Mombassa.

In preparation for the attacks the team divided itself into four: one group remained in Mogadishu; a second group launched the attack on the Paradise Hotel. One member of the team was sent to Lamu to prepare an escape boat for the team to return to Somalia. The fourth and final group, led by Fazul Abdallah Mohamed, was responsible for shooting down the Arkia airliner. Both missiles failed to reach their target.

On 29 November 2002, the day after the attacks, the surviving members of the team regrouped in Lamu and departed two days later for Somalia by boat. Most of the team remained in Mogadishu for several months after the attacks, living on cash allowances provided by their Sudanese financial controller. One member of the team, Suleiman Ahmed Hemed, found a job with the driving pool for a major Mogadishu hotel before he was arrested in a joint Kenyan-American operation in April 2003. Other members of the team subsequently returned to Kenya, but at least four remain in Somalia.

[a] The Panel has requested verification of this issue from the Government of Eritrea and Yemen but has yet to receive a response.

130. The Panel has learned that as many as eight Strela-2 missile systems may have been imported to Somalia from Yemen early in 2003 by a minor Mogadishu arms dealer named Mohamed Osman Raghe Buraleh. When first contacted by the Panel, via a local interlocutor, Buraleh denied having procured any missiles, but offered to obtain some from Yemen. At a subsequent interview with the Panel, Buraleh claimed he had previously been lying and denied being able to procure missiles. However, other sources have described unsuccessful attempts by Somali faction leaders to recover these weapons, which have since been transported to an undetermined location near the Kenyan border.

131. The Panel has determined that it remains relatively easy to obtain surface-to-air missiles from Yemen and there are no obstacles to importing these weapons to Somalia. Since there is currently no market for man-portable air-defence systems in Somalia, any recent consignments of these weapons are presumably intended for re-export to neighbouring States.

Light anti-tank weapons and small arms

132. The terrorist network that carried out the operation in Kenya in November 2002 was also in possession of other weapons. In addition to explosives, the suicide bombers who struck the Paradise Hotel were armed with an East German MPiKM Kalashnikov-type assault rifle and a Tokarev TT pistol. In August 2003, Kenyan police recovered various weapons from the apartment of one of the team members. These included five light anti-tank weapons:

- Three RPG-22 Neto, serial Nos. AE 263205, BE 33-2706, BE 33-0149, manufactured in the Russian Federation.
- One M-72 LAW, serial No. HED 51201, manufactured in the United States of America.
- One RPG-18 Mukha, serial No. EE0417, of indeterminate origin.

133. Together with the anti-tank weapons, police also recovered one Russian F1 type hand grenade (serial No. 93PL61) and six AK-47 magazines with 177 rounds of 7.62 mm ammunition. Headstamp codes indicated the origin of the ammunition as being East Germany (4), either USSR or Bulgaria (10), USSR (539), China (944) and an unmarked type of unknown or clandestine manufacture. Perhaps coincidentally, ammunition recovered from the site of the Paradise Hotel blast bore three of the same headstamp codes. Some of the ammunition had been produced as recently as 1999.

134. Law enforcement officials believe that these weapons also entered Kenya from Somalia. If so, then there is reason to believe that the anti-tank launchers (with the possible exception of the M-72, which could have been part of pre-war Somali government stocks) and at least some of the 7.62 mm ammunition constituted a recent violation of the embargo. Although time constraints did not permit a full investigation, attempts by the Panel to trace some of the weapons did not meet with timely cooperation from the Governments concerned.

Explosives

135. The explosives for the attack on the Paradise Hotel consisted of steel gas cylinders packed with ammonium nitrate locally prepared in Kenya. Forensic examination also indicated trace elements of either TNT or RDX explosive, which may have been used as a booster. Although there is no way of ascertaining whether any of the explosive components actually came from Somalia, sources have advised the Panel that some components of the bomb, including the detonator, may have been obtained from Somalia — a hypothesis that helps to illustrate a more general concern of the Panel about violations of the arms embargo.

136. Remaining stocks of pre-war explosives in Somalia are limited, generally unstable and unsuitable for use. The Panel has come across only one sample of pre-war explosives: a stock of TNT obtained from a former oil-drilling site in north-eastern Somalia. Nevertheless, explosives are readily available for purchase throughout the country. For the most part, these are obtained by dismantling land mines, large quantities of which have been delivered to Somalia in recent years — principally from Ethiopia and Yemen.

137. Domestic demand for explosives in Somalia derives mainly from gravel quarries and construction companies. The Panel has learned, however, of recent

attempts by extremist groups to procure explosives on the Mogadishu arms market, as well as ongoing militia training in the use of explosives. The availability of explosives in Somalia is a direct result of large-scale violations of the arms embargo in recent years with respect to land mines.

E. Tracking of arms, ammunition and explosives

138. The lack of a standardized tracing and marking system for weapons, especially for ammunition, makes it difficult to assess with certainty the origin of a weapon — a problem complicated by the production under licence of the same types of weaponry in different countries.

139. The Panel obtained serial numbers of weapons available on the Bakaraha market in Mogadishu and first tried to identify them using specialized industry catalogues. Sample serial numbers were then sent to the presumed countries of manufacture together with a request to trace the source of the weapons, and to indicate the intended, legitimate recipient of the arms or ammunition. The Panel received a number of negative replies, suggesting that the presumed country of production had been wrong.

140. The Panel, however, remains convinced that the tracing of weapons and ammunition could be of considerable importance to monitoring violations of the embargo, as well as for the monitoring of arms flows in general, were Member States and producing factories able to process requests more efficiently. Follow-up by Member States on the requests sent out by the Panel could greatly facilitate the work of a future monitoring mechanism for the Somalia arms embargo.

VI. Financing of the arms trafficking

A. Fishing, piracy and the business of protection

141. The once thriving Somali fisheries industry has deteriorated into a "free for all" among the world's fishing fleets. For over a decade, hundreds of vessels from various Member States have continuously fished Somali waters in an unreported and unregulated manner, as documented in numerous reports on the subject.[8] This has had far-reaching consequences and may already have had a disastrous effect on the sustainable management of Somali marine resources.

142. The absence of a central governing body in Somalia has allowed this chaotic condition to continue. There have been several attempts to make the industry regulate itself; while the concept remains sound, however, the initiatives have failed primarily because of disputes over the distribution of funds from licence fees to political faction leaders. The initiatives also offered little reinvestment into resource management.

[8] See, for example, the UNDP/IMO/UNCTAD overall assessment for the sustainable development of the marine environment, seaports and coastal areas (in cooperation with IUCN, UNEP and FAO), entitled "The Protection and Sustainable Development of Somali Marine Environment, Seaports and Coastal Areas" (1998).

143. The most recent attempt to address this issue along the north-eastern Somali coast involves SomCan, a joint venture between the Puntland administration and a private sector shipping company. This activity incorporates the 400-strong "Puntland marines" and the "Puntland coastguard", which employs a converted 3,000-ton tanker vessel and several small fibreglass fishing boats to provide maritime security and to interdict smuggling and piracy. It is too soon to comment on the effectiveness of this initiative.

144. The fishery situation along the Puntland coast sometimes resembles naval warfare. Fishing boats are typically mounted with heavy anti-aircraft canons and many of the crews are armed. The Puntland coastguard has, on a number of occasions, seized weapons from ships they have inspected. In March 2003, according to the owner of SomCan, a dhow was seized with several thousands of cartridges for AK-47 rifles on board. The Puntland authorities also provided the Panel with a list of attempts to smuggle in weapons from Yemen.

145. Weapon seizures of this nature offer practical benefits as well. One of the companies involved with coastal protection in Puntland told the Panel that, on at least one occasion, having received intelligence about the arrival of a shipment for a southern faction leader (Hussein Aideed), they were ordered by the leader of Puntland, Abdullahi Yusuf, to seize the vessel on the open sea and capture the cargo. Since Abdullahi Yusuf and Aideed have been allies for some years, it would appear that the motives behind the seizure were more mercenary than political.

146. In some cases it appears that shipments of weapons destined for the Puntland authorities have been "seized" by those same authorities. Such seizures are presumably an attempt to camouflage a deliberate violation of the arms embargo by the authorities since the weapons inevitably end up in the hands of the Puntland security forces. During a visit to Boosaaso, for example, the Panel learned from local authorities that a Yemeni arms dealer had recently been placed under house arrest and his cargo of arms seized. In a subsequent interview with the Panel, the Yemeni denied involvement in arms trafficking, claiming instead that he had delivered a consignment of equipment for the Puntland Field Force (locally known as the *Darawiish*) for which he had yet to receive compensation.

147. While there exists an urgent need to protect Somalia's maritime resources from foreign fishing vessels, there is also a clear risk that "coastguard" operations of the kind organized by the Puntland authorities could in fact provide legitimacy for sanctions-busting by local authorities and faction leaders. At the same time, the sale of licences to foreign vessels in exchange for fishing rights has acquired the features of a large-scale "protection racket", indistinguishable in most respects from common piracy. The threat to vessels off the coast of Somalia, whether they are fishing or not, has prompted the International Chamber of Commerce to warn ships to remain at least 50 nautical miles from Somali shores. The International Maritime Organization warns that the continued lawlessness in Somalia, particularly where it prevails in the coastal areas, is a threat not only to Somalis but also to the international community.

148. Until a functional Somali government comes into being, it is unlikely that the contradictions between local "coastguard" arrangements, international maritime security and enforcement of the arms embargo can be adequately resolved. The Panel therefore recommends that alternative arrangements, such as a maritime caretaker authority, should be given serious consideration.

B. Control of ports and airports

149. Mogadishu port and airport have been closed since 1995 and remain closed until this day. A new alliance comprising the Transitional National Government, Musa Sudi "Yalahow", Osman Hassan Ali "Alto", Mohamed Ibrahim "Habsade" and others had declared its intention to reopen them at the time of writing of this report. Since the members of the alliance are not in full control of the two facilities, which are vulnerable to long-range shelling by rival groups, it seems unlikely that these two strategic facilities will open any time soon. At the same time, reopening the port and airport threatens vested interests in El Ma'an port and the various airstrips of Mogadishu, requiring delicate and complex negotiations.

150. The port of El Ma'an, north of Mogadishu, currently dominates the maritime trade for Mogadishu and is owned by a group of businessmen of the Abgal/Warsengeli subclan that have their own militia and weapons to protect their interests. Most of these Somali businessmen are based in Dubai, where they run tugboat businesses, construction companies or trading companies that ship sugar, oil and other commodities to Somalia. They are partly protected also by the faction leader Mohamed Dhere and by the militia of Bashir Rage, who also controls the airstrip of Mogadishu North (Isaley). Opening Mogadishu port would deprive them of their major source of income.

151. Likewise, the opening of Mogadishu airport would jeopardize going concerns at several airstrips around the city. The Transitional National Government currently relies on the former military airport of Balidogle. Mohamed Qanyare Afrah controls Daynile airstrip, which enjoys a virtual monopoly on khat flights to Mogadishu and is the preferred destination of United Nations flights. K-50, an airfield some distance along the road to Marka, is controlled by Ahmed Duale "Heef", whose militia also man a key checkpoint on the road to Mogadishu. Cargo or passengers going through his airport are not only taxed when landing and offloading, but also have to pay money in order to use the road.

152. Key road junctions or roads, the airstrips around Mogadishu and the different ports are thus important sources of wealth accumulation, but also important delivery and entry points for illicit cargo, including weapons. The Juba Valley Alliance remains in control of the lucrative port of Kismaayo while Mohamed Dhere is planning to improve the landing strip of the airport of Jowhar, capital of Middle Shabelle region. Any vehicle entering the areas under his control must also pay taxes at one of four strategically situated roadblocks.

153. The Panel was unable to obtain current information about the taxes and security fees required of shipping and aviation companies to operate from any of Mogadishu's ports or airstrips. However, Mohamed Deylaf, a wealthy Mogadishu businessman, agreed to give the Panel a breakdown of the costs incurred to ship cargo from anchorage in the port to his warehouses in Mogadishu. As an illustration he told the Panel that bringing in a convoy of sugar or humanitarian aid from the port of El Ma'an to a warehouse in Mogadishu would cost about as much as bringing it from the northern port of Berbera. El Ma'an is just 30 km from Mogadishu; Berbera is 1,300 km away.

154. For comparative purposes, a typical regional port, such as Djibouti, would charge $7 to for handling one ton of sugar, including stevedoring, tugboats and discharge. The port of Kismaayo would charge about twice that amount, and El

Ma'an roughly four times as much. At the same time, the ports are so badly maintained that large quantities of cargo are often damaged, without compensation. Since no insurance companies are willing to cover risks along the coast and in the ports El Ma'an, Kismaayo or Marka, only ships in bad condition will ply the route and this results in further accidents and additional costs.

155. The costs of land transport are no less exorbitant. According to Mohamed Deylaf, transporting a convoy from Mogadishu to Baidoa, a distance of approximately 250 km, may take as long as eight days. Long negotiations are required with the militia at each roadblock about the payment required in order to pass. Mr. Deylaf estimates that almost 30 per cent of his profits are spent to maintain and arm his own militia, used to secure his convoys.

C. Unregulated money flows

Currency printing

156. In the Somali context, the printing of counterfeit currency can generate money purely for profit, for political capital, or for criminal purposes such as money-laundering. It can also be used to generate money to buy arms. The counterfeiting operations are typically organized by Somali politicians or businessmen with international connections, who seem to have little difficulty in persuading private printing companies to accept at face value their credentials as legitimate representatives of the Somali government. The economic consequences of counterfeit currency can be dramatic: in 2001 the Somali shilling lost almost half its value when a consortium of businessmen linked to the Transitional National Government dumped counterfeit currency into Mogadishu markets.

157. Throughout the Panel's six-month term rumours about the arrival of such shipments continued to circulate, citing Indonesia and Malaysia as possible countries of origin. The Panel decided to investigate the reports of these shipments as a possible source of funding for arms flows to Somali factions.

158. One of the primary beneficiaries of earlier money printing efforts was Abdinur Ahmed Darman. In May 1997 he received a first shipment of 30 billion Somali shillings at Balidogle airstrip, part of which he shared with Hussein Aideed. A subsequent dispute between the two men resulted in Aideed's militia killing six of Darman's relatives, so that Darman kept subsequent currency shipments for himself. Some of the money, however, remained stockpiled in the possession of the printer and some of the business people who had bankrolled the deal.

159. In June and July 2003, having declared himself President of Somalia, Darman travelled to Malaysia. Currency printing was allegedly one of the issues on his agenda — together with the organization of a shipment of uniforms for his militia (all paras. 76-78 above) — and one of the Panel members therefore travelled to Malaysia to verify the reports. Darman himself denied the allegations, and the Government of Malaysian, as well as several private Malaysian companies, told the Panel they were unaware of any new money printing efforts.[9] One of the

[9] One of the businessmen approached, John Fung of the Adorno Group, told the Panel that he has yet to recover his costs from previous money printing operations.

businessmen approached claimed that he is still trying to recover outstanding debts from his previous deals.

160. When confronted by the Panel with the allegation that his claims to be the President of Somalia were specifically related to his attempts to obtain the remains of the 1997 currency consignment, Darman claimed he had gone to Malaysia to try to stop new money from being sent to the Transitional National Government. He further claimed he had submitted a detailed file about the case to Western intelligence agencies and to the authorities in the United Arab Emirates, where he and his business associates have an office. Neither Mr. Darman, nor the authorities mentioned, could substantiate this, and he proved unwilling to hand over the file to the Panel, despite numerous requests that he do so. The Panel also contacted an American former Congressman, William Grant, who had been associated with the previous efforts of both Aideed and Darman to obtain counterfeit currency. Mr. Grant told the Panel he was aware of bogus money printing efforts and said he would supply the Panel with the results of his own investigation but never did so.

161. During the course of its investigation, the Panel uncovered evidence of other money printing initiatives. In 1999 and 2000, three contracts were signed between the Indonesian company Peter Pura Baru and Ahmed Mohamed Goala, an associate of Puntland opposition leader Jama Ali Jama, who presented himself as the Governor of the Central Bank of Somalia. The contracts represented a total of 38 billion shillings in denominations of 1,000 Somali shillings.

162. Documents obtained by the Panel also show that Abdullahi Yusuf, President of the self-proclaimed State of Puntland, and one Ali-Noor Mohamed had been involved in money printing with the Canadian company identified in the previous report (S/2003/223).

163. According to Indonesian police officials, the most recent order for currency was placed in 2002 by a woman identifying herself as Khadija Ossoble Ali, a Minister of State in the Transitional National Government until late 2001. When the Panel contacted her in the United States, she denied any involvement in money printing, explaining instead that she had indeed travelled to Indonesia in 2001 on behalf of the Transitional National Government to investigate a previous shipment of counterfeit money delivered to Mogadishu, and to sign a memorandum of understanding with the printing company stipulating that any remaining stocks of currency should be destroyed.

164. When contacted for further clarification, the Indonesian company claimed that it had received the order to print the money via the Indonesian Embassy in Egypt and had processed the order even though no official document had been presented to them. The Panel tried to obtain clarification from the Indonesian Embassy in Cairo but at the time of writing no reply had been received.

165. Overall, Somali politicians or warlords may obtain money from currency printing companies with little difficulty. All they require is sufficient funds to place the order and reasonably persuasive credentials issued in the name of a Somali government. Not only the Transitional National Government, but also other parties with far less credibility, have travelled the world with documents authorizing them to print money on behalf of the Somali State. The Panel strongly recommends that all Member States refrain from allowing government or private printing companies to print any Somali shillings.

Hawala

166. The collapse of the Somali central government in 1991 also had major consequences for the financial services sector. Somalia is one of the poorest countries in the world. The long absence of national government has prevented access to international capital markets or the establishment of economic management institutions and regulatory bodies.

167. One consequence of the lack of banking services has been the expansion of traditional hawala services offered by the Somali remittance companies. Remittances from the Somali diaspora are an important factor in sustaining economic growth as they are currently the only available financial means for a wide spectrum of Somali society. The 12-year civil war has led to a massive migration that continues today: almost 1 million Somalis live and work abroad. These exiled Somalis act as the "backbone of the economy, bringing in an estimated $750 million to $1 billion annually".[10]

168. Somali remittance companies have a large international presence but operate informally, lacking the basic mechanisms charged with regulating their activities. Since 11 September, 2001, Somali remittance companies have come under international scrutiny. The lack of transparency and accountability that characterizes them has led to a number of closures of companies around the world. Al-Barakat, the biggest company, was shut down in November 2001 after the United States Government accused it of links with terror groups.

169. In view of those events and in order to increase their accountability and transparency, in September 2003 14 Somali remittance companies established the Somali Financial Services Association (SFSA) under the auspices of UNDP. As stated in article 3.10 of its constitution SFSA will commit itself to working towards the prevention of violations of the arms embargo inside Somalia, in particular the prevention of funding of warring faction leaders, drug smugglers and terrorist operatives. The difficulty of this task, however, should not be underestimated: the Panel has learned that the terrorists involved in the attacks of November 2002 at Mombasa, survived in Mogadishu on several hundred dollars a month — amounts that would attract little or no attention from regulatory bodies.

D. Document fraud

170. Arms trafficking and other criminal activities are greatly facilitated by document fraud. Somali identity documents, including passports, can be obtained from Somali diplomatic missions around the world in exchange for a small fee, or simply purchased in the marketplaces of major towns (including the Eastleigh sector of Nairobi). No proof of identity is required and even non-Somalis can obtain a passport (or diplomatic passport) upon request. Foreign passports are also available, although they are less common and more costly than Somali passports.

171. Official documents are even easier to forge since there is little to prevent an unscrupulous leader drafting correspondence on official-looking letterhead and identifying himself (or herself) as a bank official, government Minister, or even

[10] United Nations Development Programme, "Somali Remittance Initiative", May 2003.

President of Somalia. The Panel has obtained numerous examples of such documents.

172. Most pertinent to the work of the Panel is the fraudulent use of end-user certificates to procure arms for Somalia. Several instances of dubious end-user certificates have been reported to the Panel, but it has so far not been possible to obtain copies of the documents concerned.

VII. Recommendations

173. Although the Panel has seen no major shipments of weapons to the factions in Somalia for the past six months, there is a continuous microflow of weapons and ammunition feeding the open arms markets in Somalia from neighbouring countries. The situation in Somalia is a complex one that requires a comprehensive, integrated approach to the monitoring of the arms embargo and related issues such as regional insecurity, organized crime and terrorism. The Panel therefore recommends:

A. Continued monitoring

174. The arms embargo should continue but monitoring is critical to ensure its effectiveness. The Panel strongly recommends that, given the uncertainty of Somali political reconciliation and the escalating cycle of violence in Somalia, a more systematic monitoring mechanism be established. In order to capitalize on the momentum of the Panel's work this mechanism should be established in a timely fashion. Monitoring of the embargo should continue without interruption.

175. Such a mechanism would work in many ways to improve the effectiveness of the arms embargo. In addition to the continuing investigation and verification of ongoing violations the monitoring mechanism would:

(a) Produce periodic reports listing specific cases of violation and naming the violators;

(b) Investigate arms movements and the financing thereof from source to end-users, including transit cargo, so as to establish clear patterns of supply and demand;

(c) Investigate links between arms movements to and through Somalia and international criminal and terrorist organizations. A dedicated effort is needed in the monitoring and tracing of special categories of weapons sought by such groups;

(d) Establish working mechanisms of cooperation and information exchange with the initiatives of the African Union and the League of Arab States to monitor the ceasefire declaration as well as with other monitoring initiatives;

(e) Compile reports of vessel and aircraft movements to, through and from Somalia and the front-line States;

(f) Follow up on specific case studies and conduct in-depth investigations of operations in suspect ports, airports and regional arms bazaars in order to identify supply sources;

(g) Transmit pertinent information to United Nations Member States so that their law enforcement organizations can take appropriate action;

(h) Monitor and report on progress made by countries neighbouring Somalia to improve their border monitoring capacity.

B. Improved cooperation

176. The input and support of a wide range of specialized actors and agencies beyond the United Nations is crucial in the effective enforcement of the arms embargo. Much more needs to be done in bringing together international, regional and subregional organizations, Member States and non-State actors involved in disarmament, demobilization, ceasefire monitoring and anti-crime and anti-terrorism in a coordinated effort to enforce the arms embargo. All should be ready to provide the needed expert assistance to the Panel.

Front-line and neighbouring States

177. There is a need for more sustained forms of communication and coordination between the Panel and the Committee and the front-line and neighbouring States. All States should have authorized channels to supply information to the Panel about matters relevant to their mandate.

178. The Governments of the front-line and neighbouring States should declare their stocks of anti-aircraft weapons to the Panel and confirm that they have full control over those stocks. Acquisitions of such weapons should also ideally be reported to the Panel. Front-line and neighbouring States should be urged to establish sanctions assistance offices on their territories with the help of regional and subregional organizations. The offices would assist the respective national authorities in monitoring and enforcing the arms embargo on their territories.

Member States

179. There is a need for all States to cooperate fully with the Panel in the fulfilment of its mandate including supplying such information as may be required. The Panel found that, while Member States usually replied to requests for information, no Member State volunteered information.

Regional organizations

African Union and League of Arab States

180. The African Union and the League of Arab States are committed to the implementation of the arms embargo and are ready and willing to establish a framework of cooperation with the Panel of Experts. Assistance would be provided in all areas of the enforcement of the embargo, including timely sharing of information related to violations of the embargo and responses to investigative requests. There is a need to establish regular conduits of dialogue with these organizations.

Coalition Maritime Task Force

181. The Coalition Maritime Task Force, which operates off the coast of the Horn of Africa and currently has the task of providing counter-terrorism maritime security, should be authorized by the Security Council to act within its capabilities in the interdiction of illegal arms trafficking. In case of violation of the arms embargo or suspicion thereof the information should be made available to the Panel or the Committee for a follow-up investigation.

C. Stemming the flow of arms

The Nairobi Declaration

182. Although Somalia is only an observer, there is a need for the Somali authorities as well as the front-line and neighbouring States to implement measures in accordance with the Nairobi Declaration on the Problem of the Proliferation of Illicit Small Arms and Light Weapons and the Coordinated Agenda for Action.

183. Crucial signatories such as Eritrea and Ethiopia have yet to implement any of the measures required by the Coordinated Agenda for Action and Djibouti should be encouraged to activate its recently established national focal point. The Panel recommends that the States parties to the Declaration that have yet to implement it should be requested by the Security Council to do so as a matter of urgency. Progress made by those countries should be reported to the Security Council Committee.

184. The next ministerial review conference for the Nairobi Declaration will be held in March 2004 in Nairobi. Putting the Somalia arms embargo firmly on the agenda for that review conference can greatly assist in implementing and monitoring the embargo.

Exemptions to the arms embargo in the case of the establishment of a functioning government

185. Should a legitimate government be established, possible exemptions to the arms embargo for a future national army or a police force need to be scrutinized thoroughly. It is crucial that the purchasing of military and police equipment (weapons, ammunition, uniforms and related materiel) be done in full transparency and be reported to the sanctions Committee as foreseen by resolution 1356 (2001), with clear indications regarding every party involved, including the names of producing factories, brokers and transport companies, as well as transparent and clear accounting, including bank statements.

Other exemptions

186. Shipments of protective or non-lethal military equipment to any of the parties in Somalia are violations of the arms embargo unless approved in advance by the Security Council Committee established pursuant to resolution 751 (1992). None of the uniform shipments described in this report had been given such approval. The Panel therefore recommends that the Security Council reaffirm the obligation of Member States to comply fully with the measures imposed by resolutions 733 (1992) and 1356 (2001) regarding supplies of non-lethal military equipment.

D. Transportation

187. Somalia's 3,200-km coastline is a conduit for illegal arms trafficking destined for Somalia as well as for the region. The coast has also been the scene of a number of incidents of piracy and terrorism against ships. Consideration should be given to the establishment of a caretaker authority for the Somali coast. The Panel supports the International Maritime Organization's suggestion of holding an international conference on maritime security in Somalia to discuss the matter in detail. A more detailed recommendation for the establishment of a caretaker authority for the Somali coast can be found in annex III to the present report.

188. To enhance air traffic monitoring and oversight by the Civil Aviation Caretaker Authority for Somalia, it may be necessary to install secondary radars to cover the entire Somalia airspace. This would ensure that all aircraft entering Somalia airspace could be positively identified and tracked. This could also reduce the incidence of the use of dual or multiple call signs or registration. A more comprehensive and technical recommendation for the further improvement of the Civil Aviation Caretaker Authority for Somalia can be found in annex IV.

189. The enforcement capabilities of the front-line State airports should be enhanced by encouraging more coordination between States and technical assistance in the inspection of ports and airports. Routine and random inspection of air cargo at some of the transit airports should be encouraged.

E. Other recommendations

Blacklisting

190. The Panel supports the recommendation that a list should be compiled of individuals or groups engaged in the illegal manufacture, trade, stockpiling, transfer, possession, transportation, insurance and financing of the acquisition of illicit weapons, with a view to proposing possible future actions against such violators. The Member States should subsequently ensure that their nationals or residents convicted of violations of the arms embargo and related offences should be held accountable.

191. Violators of the arms embargo, be they dealers, brokers, airline or shipping companies or businessmen in Somalia, should also be banned from receiving United Nations contracts.

Counterfeiting

192. All countries and currency printing companies should stop printing Somali shillings until a legitimate government has assigned an authority to print money. All government or private printing companies should report any request or attempt to print Somali money to the Security Council Committee. Existing stockpiles of Somali or Somaliland shillings should be destroyed.

Annex I

Somali Republic

Ministry of Finance

Minester's Office

جمهورية الصومال
وزارة المالية
مكتب الوزير

Jamhuuriyadda Soomaaliya

Wasaaradda Maaliyadda

Xafiiska Wasiirka

Ref: WM/XW/185/03

10.06.2003

The Secretary General
League of Arab States
Cairo,
Arab Republic of Egypt

Subject: Expenditure Report

The Ministry of Finance for the Transitional National Government of Somalia presents its compliments and gratitude to the League of Arab States for the generous political and financial assistance to the Government and the people of Somalia.

Therefore, I have the honor to submit the Summary of the May 2003 Expenditure Report of the US $ 1,000,000 donated by our esteemed Arab States through the TNG Fund held by League of Arab States.

Once again, I take this opportunity to thank you for your effort and support to Our Nation.

Yours Sincerely

Hussein Mohamud Sheikh
Minister of Finance

Mogadishu Ministry of Finance SOMALI REPUBLIC

جامعة الدول العربية
رقم الوارد: 507/X
27 JUN 2003
ادارة الاتصالات

SOMALI REPUBLIC
MINISTRY OF FINANCE
SUMMARY OF EXPENDITURE

Description	Expenditure Category	No	Rate	Total	Grand Total
PRESIDENCY					
President's Ofice	Allowances & Services			30,000.00	
Advisers	Allowance	5	600	3,000.00	33,000.00
NATIONAL ASSEMBLY					
Speaker's Office	Allowances & Services			15,000.00	
Members of Parliament	Allowances	245	1000	245,000.00	
Members of Parliament	Attendance allowance	245	300	73,500.00	
Transportation & Miscellaneous	Services			10,000.00	343,500.00
CENTRAL GOVERNMENMT					
Prime Minister's Office	Allowances & Services			20,000.00	
Advisers	Allowances	2	600	1,200.00	
Deputy Prime Minister's Office	Allowances & Services			5,000.00	
Ministers	Allowances	30	1000	30,000.00	
Ministers of State	Allowances	30	1000	30,000.00	
Vice Ministers	Allowances	19	1000	19,000.00	
Secretariate: Council of Ministers	Allowances & Services			5,000.00	
Ministry of Finance	Allowances & Services			3,000.00	
Attorney General	Allowances & Services			1,500.00	
Accountant General	Allowances & Services			3,000.00	
Controller & Auditor - General	Allowances & Services			2,000.00	
Central Bank	Allowances & Services			3,000.00	
Banadir Region & Districts	Allowances & Services			10,000.00	
Radio Mogadishu	Allowances & Services			15,000.00	147,700.00
JUDICIARY & PRISONS					
Judiciary & Prisons	Allowances & Services			25,000.00	25,000.00
ARMY & POLICE FORCES					
Army	Allowances	2000	50	100,000.00	
Army	Services			20,000.00	
Police force	Allowances	2500	50	125,000.00	
Police force	Services			20,000.00	
Custodial Corps	Allowances	500	50	25,000.00	
Custodial Corps	Services			10,000.00	300,000.00
FOREIGN DIPLOMACY					
Somali Embassy - Cairo	Allowances & Services			20,000.00	
Somali Mission - New York	Allowances & Services			15,000.00	35,000.00
FOREIGN TRAVEL EXPENSES				15,800.00	15,800.00
RECONCILIATION				100,000.00	100,000.00
					1,000,000.00

Annex II

Comparison of prices for small arms and light weapons, October 2003[a]

(United States dollars)

	Yemen	*Yemen*	*Boosasso*	*Mogadishu*
	Import price	*Retail prices*		
AK-47 folding stock	80	215		300-375
USSR and Democratic People's Republic of Korea (the latter new on the market, more expensive); unused 1960s and 1970s models				
AK-47 folding stock	40-65			190
Other countries				
AK-47 folding stock		100		250-270
China				
Makarov	90-130	200-250 (depending on country of origin)		300-400
Ammunition for AK 7.62 x 39 mm (depending on country/year of production. Chinese cheapest, Russian and East European preferred)	30-70 per thousand rounds	60-140 per thousand rounds		0.3-0.5 per round
Ammunition 12.7 mm and 14.5 mm (depending on country of origin/year of production)	0.80-1.20 per round			
DSHK (12.7 mm machine-gun)		2 000	5 000	8 000-10 000
PKM (7.62 mm machine-gun)		1 200	3 200	3 500-5 000

[a] Prices were obtained on the market in interviews with arms dealers and brokers in Aden, Mukalla, Boosasso and Mogadishu from 1 to 23 October 2003.

Annex III

Proposed Maritime Administration Caretaker Authority for Somalia

The region formerly known as the Somali Republic has more than 3,200 kilometres of unprotected, unregulated and lawless coastline. For over 14 years there has been no management of the resources, no protection against piracy, no regard for the environment and no effective interdiction of weapons flows to and from this coast.

An overall assessment for the sustainable development of the marine environment, seaports and coastal areas, funded by UNDP and undertaken by IMO and UNCTAD with the cooperation of IUCN, UNEP and FAO was conducted in 1998. The final document, entitled "The Protection and Sustainable Development of Somali Marine Environment, Seaports and Coastal Areas", contains many observations and recommendations that are still relevant today.

The previous Panel of Experts on Somalia recommended that the primary recommendation of the 1998 initiative be considered, namely: the establishment of an integrated maritime governance regime or Maritime Administration Caretaker Authority for Somalia, which will be responsible for regulatory services, maritime safety, marine environment protection, monitoring, surveillance and control of the Exclusive Economic Zone.

At the time of the original recommendation (1998) it was felt that political and material support from Member States would be difficult to obtain but, after the events of 11 September 2001, the attention of the world was drawn to the vulnerability of the maritime industry to terrorist attacks and the Secretary-General of IMO was invited to take appropriate measures to assist Governments to strengthen port safety and security so as to prevent and suppress terrorist acts directed against ports and ships in port areas. The 1998 recommendations for the establishment of the Maritime Administration Caretaker Authority for Somalia may be timely for implementation, given that Somalia has a very long coastline that is known for incidences of acts of piracy and terrorism against ships. The unprotected coastline of Somalia is also a potential conduit for weapons into the African continent.

Somalia should be a party to the Indian Ocean Memorandum of Understanding on Port State Control and the agreement, under the International Convention on Maritime Search and Rescue, on the Rescue Coordination Centre for the Eastern African subregion. In the absence of an effective government nothing can be accomplished concerning these protocols. All of the countries in the region, namely, Comoros, Djibouti, Kenya, Mauritius, Seychelles and the United Republic of Tanzania are at various stages of implementation of the International Ship and Port Security Code but, as long as the coastline of Somalia remains unsafe, the ships and ports in that region will not be safe and secure.

The International Maritime Organization is well placed to establish a Maritime Administration Caretaker Authority for Somalia and offer technical support to it once the funding and enforcement mechanisms have been secured.

Annex IV

Civil Aviation Caretaker Authority for Somalia

In its response to one of the recommendations of the previous Panel (see S/2003/223, para. 178), that the mandate of the Civil Aviation Caretaker Authority for Somalia be expanded, the International Civil Aviation Organization offered the following:

> For the Civil Aviation Caretaker Authority for Somalia to carry out functions arising from additional responsibilities, the following three conditions would have to be met:
>
> (1) The Civil Aviation Caretaker Authority for Somalia would exercise the additional responsibilities on behalf of Somalia pending the re-establishment of a governmental authority in Somalia. This would entail the formulation and adoption of a Civil Aviation Act, and would imply that the United Nations assumes a State function;
>
> (2) The terms of the agreement between ICAO and UNDP and those of the project document deriving therefrom regarding the Civil Aviation Caretaker Authority for Somalia would need to be expanded to the extent required in relation to capacity and resources;
>
> (3) The scope of the existing risk management tools (disclaimer, insurance arrangements) would need to be reviewed and expanded so as to cover the additional responsibilities.

Notwithstanding the response of ICAO with regard to the previous Panel's recommendation regarding the expansion of the mandate of the Caretaker Authority, this Panel believes that the role of the Authority can be more effective in spite of the current security situation in Somalia. It is recommended that secondary radars be installed at strategic locations in the following areas: one in the north, one in the north-east, and one in the south, preferably at an airport in Kenya along the Somali-Kenyan border, such as Mandera. This would ensure positive identification and tracking of all aircraft entering the Somalia airspace. It could also significantly reduce the current frequent use of dual or multiple call signs and aircraft registration numbers.

The physical presence of the Civil Aviation Caretaker Authority at some of the frequently used airports is necessary. In view of the current security situation, local presence and more coordination with warlords controlling some of those airports should be encouraged. It is also necessary that tangible evidence of the activities of the Authority, for instance, the installation or procurement of aviation safety equipment, be made available or be demonstrable to air transport operators using the Somalia airspace.

The enforcement capabilities of the front-line State airports in terms of cargo and passenger inspections and processing should be enhanced. This could be accomplished by providing technical assistance where necessary and encouraging more coordination between the front-line State airports and the Authority.

Aircraft registration, certification and the issuance of operating permits should be closely monitored and regulated. For example, it could be mandatory for all aircraft flying to and from Somalia to be registered, certified and issued with

operating permits only from the base airport (i.e. the airport where the aircraft is based and operates from). This would significantly reduce the number of aircraft from former Soviet-bloc countries that are based in the United Arab Emirates and other neighbouring countries but registered in the former Soviet-bloc countries and operate to Somalia using permits and certificates issued by those countries.

Given the weakness in effectively inspecting and monitoring air cargo, it is recommended that routine or at least random inspections of air cargo destined for Somalia be made at all airports, including transit airports. In addition, cargo manifests should clearly identify the cargo that is being transported.